

1 **Virginia Workforce Council**
2 **At the Sheraton Oceanfront Hotel**
3 **Virginia Beach, Virginia**
4 **June 8, 2006**
5 **Minutes**

6
7 I. Call to Order – Chair Marjorie M. Connelly

8 Chair Connelly called the meeting to order.

9
10 II. Roll Call – Members Present

11 Marjorie Connelly, Chair

12 Mark Dreyfus, Vice Chair

13 Huey Battle

14 Elwood Boone

15 Dolores Esser

16 Richard Gonzalez

17 Secretary Patrick Gottschalk

18 Lovey Hammel

19 Hugh Keogh

20 James Leaman

21 James McClain

22 Senator Yvonne Miller

23 Robert Myers

24 Hiawatha Nicely

25 Doyle Rasnick

1 Rita Ricks

2 The Honorable Don Sullenberger

3 Andrea Wooten

4

5 III. Approval of the Minutes – Chair Connelly

6 The minutes of the May 9, 2006 meeting were approved.

7

8 IV. Public Comment

9 There were no public comments.

10

11 V. Local WIA Funds Recapture Policy – Brian Davis, VEC Staff

12 (continued from 12/6/05 meeting)

13

14 Chair Connelly stated that the notion of recapturing funds from
15 WIBs after allocating the funds and allowing for carryover time is a
16 hot topic and the time has come to make a decision on what to do.
17 One view is from the local environment. The Council wishes to
18 create no incentive to waste money and to ensure stability in an
19 unstable funding world. The other view is that if there is money
20 that is not being appropriately used it is the Council's fiduciary
21 obligation to recall the funds and use the funds where needed and
22 better used. Both views are legitimate. Chair Connelly stated that a
23 policy has not yet been crafted and suggested that everyone agrees
24 that the objective is to use the funds to benefit the people in the
25 Commonwealth.

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2 Chair Connelly suggested developing a policy that ties the decision
3 to some measurement of performance. If a WIB uses money well
4 and demonstrates that, they are probably also not using unnecessary
5 funds and in those situations the money should stay. Other WIBs
6 may not be managing themselves appropriately and therefore what
7 they don't spend might not be the best use either. Chair Connelly
8 states that a policy must consider legitimate non-uses of funds and
9 allow the Council to be proper stewards of funds. A performance
10 measurement committee has some basic structure in place and will
11 need to use the Council criteria to determine if the stewardship of
12 monies is appropriately handled and if not the funds will be
13 recovered. Chair Connelly requested Council discussion.

14
15 A member asked Chair Connelly if there were any current areas that
16 are considered to not be spending the funds appropriately. Chair
17 Connelly stated she didn't know because the definition is still
18 unclear. The member proposed reviewing that closely before
19 looking at any stipulations. Chair Connelly and the member agreed
20 that tying the recapture of funds to performance is a good idea. And
21 that there is a possibility that there may be no groups that aren't
22 good stewards but the Council has an obligation to ensure that is the
23 case. The member stated that he would be very concerned about
24 any fraud, misappropriation or mis-spending that currently exists.
25 Chair Connelly stated that the federal government is auditing each

1 state because of unfortunate situations that happened in other places
2 and there is an upcoming audit.

3
4 Another member stated that she approved of accountability and
5 rewarding outstanding performance and consequences for poor
6 performance. However, she did not think it would be the best
7 policy to link recapture to performance but would rather handle that
8 through incentives and other means. She suggested looking at
9 obligated funds versus expended funds and that it is reasonable to
10 expect WIBs to obligate virtually all their money by the year-end.

11
12 Chair Connelly stated that if a WIB cannot spend their allocated
13 money in a way to generate a return and that it is unlikely to happen
14 it would make sense to recapture funds. Another member stated
15 that the accountability needs to go two ways, not just local
16 accountability but state-level accountability. The member also
17 stated that the Council has not done a good job of expending the
18 money and a double standard must not exist and the Council needs
19 to be monitored also. Chair Connelly agreed.

20
21 A member stated to Chair Connelly that an area that is not properly
22 managed and not spending funds appropriately it doesn't mean that
23 there is not a need in that area. The member asked whether
24 recapturing funds from an area where they are needed be
25 appropriate or should another mechanism ensure that the need was

1 being addressed properly. Chair Connelly stated that she would still
2 recapture the funds from the WIB but maybe another organization
3 could help in this area through a grant.

4
5 A member stated that accountability should be separated from the
6 money issue. The evaluation process of the WIB is not about the
7 money but about how they are operating. Chair Connelly suggested
8 that it not be a purely quantitative, numeric evaluation.

9
10 Another member asked Chair Connelly about the scope of the
11 problem in terms of how many WIBs and how many dollars are at
12 risk. Chair Connelly stated that three million dollars is a good
13 estimate.

14
15 A member commented that retroactive application would not be fair
16 to the WIB director who did not know the consequences as the
17 money was received.

18
19 Chair Connelly requested general consensus that the Council is
20 going in a reasonable direction to ultimately develop a policy
21 around funds recapture. The Council approved the policy direction.

22
23 VI. Merger of Northern Shenandoah Valley (Area 5) and Shenandoah
24 Valley (Area 4) local workforce investment areas – Willie Blanton, VEC
25 Staff

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2 Mr. Blanton referred the Council to a proposal to merge local
3 workforce areas four and five which includes a map. The narrative
4 was broken into three parts - background, process and suggested
5 action. He stated that this is a local, regional issue and the state has
6 not had to intervene. Areas four and five have faced issues of low
7 funding for administrative costs resulting in insufficient staff. They
8 have had operational challenges. And more recently the area five
9 director resigned and the operator changed. The local elected
10 officials discussed the possibility of merging those two workforce
11 areas and contacted the state about the correct process. The Council
12 will need to make a recommendation to the Governor for approval
13 of the merger.

14
15 Mr. Blanton stated that only two areas – Staunton and Augusta
16 County – have not endorsed this proposal but it is only a matter of
17 time before this will occur. Mr. Blanton expressed appreciation for
18 the local effort to make this happen especially to the leadership of
19 area four for taking the lead on this. The suggested action for the
20 Council is to recommend approval of this proposed merger to the
21 Governor subject to the two remaining jurisdictions agreeing to the
22 merger prior to June 30, 2006. This would allow implementation of
23 the merger on July 1, the most appropriate time for consolidation.

24
25 The Council approved the requested action.

VII. Proposed Committee Structure – Chair Connelly

Chair Connelly discussed the proposed committee structure and directed the Council's attention to a handout. The proposed structure is meant to align with the Governor's overall objectives. Chair Connelly stated that several of the previous committees struggled especially since several had few people on them. She proposed that four committees would produce a good level of engagement.

Chair Connelly spoke with four people who agreed to chair the committees. The committee chairs were chosen with regard to diversity – location, background, race and length of Council service. Mark Dreyfus was asked to chair the Workforce Systems Development Committee and has agreed. Rita Ricks will chair the One Stop Committee. Performance and Accountability Committee will be chaired by Huey Battle, who will eventually chair the --- Area. Lovey Hammel, a newcomer to the Council, will chair the Skills Committee. Chair Connelly will chair the Executive Committee, composed of statutorily required members and each committee chair. Chair Connelly requested that the Council think about how they want to participate and email her and the appropriate committee chair. A member asked Chair Connelly for a contact list of the Council and key staff and was informed that there was one in the portfolio. Chair Connelly asked for each member to

1 participate in one committee and the chairs of each committee will
2 reach out to members they wish to be on their committees. She also
3 requested that the committee structure and chairs be posted on the
4 website.

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6 VIII. PY06 Council Meeting Schedule – Chair Connelly

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8 Chair Connelly stated that strategic planning this year will be
9 different therefore requiring a different meeting structure. She
10 proposed three normal Council meetings as opposed to four in order
11 to allow for more time for strategic planning activities. The next
12 meeting is planned for October and the dates will be finalized in the
13 next couple of weeks. It is extremely important to have a quorum
14 in light of the fact there will be fewer meetings.

15
16 A member stated she attended a National Conference, which
17 included an update on WIA re-authorization. In March 2005, the
18 House had passed a re-authorization bill and it was a consolidation
19 of WIA and the dislocated worker and the job service Wagner-
20 Peyser program. The Senate in May of 2005 passed legislation
21 keeping them all separate. This disagreement has persisted for over
22 a year. In February of 2006 the Bush administration released their
23 2007 budget and they are creating career advancement accounts.
24 They want to combine the Wagner-Peyser, all the WIA funds, and
25 you would issue somebody a career advancement account if they

1 needed employment assistance, primarily low income adults,
2 dislocated workers and out of school youth. So they would do
3 away with all the programs in favor of this vouchering type of
4 system. The people at the conference believe that Congress will not
5 do anything with WIA during this election year. Chair Connelly
6 asked about the implications to general funding levels. The
7 member stated the budget showed enormous funding cuts, including
8 a seven percent cut in WIA funds for Virginia and eliminated
9 program funding and will probably have another one to two percent
10 eliminated across the board on top of these cuts. Another thing they
11 are doing is providing funding to a lot of private sector entities with
12 the goal of eliminating the government entities providing the same
13 services.

14
15 Another member suggested a performing a long-range financial
16 evaluation in tune with what the Council has been discussing
17 accomplishing over the next three to five years, including a
18 doomsday scenario. Another member agreed and suggested that the
19 Council look toward preserving and increasing the resources and
20 take a more active role with Virginia's Congressional delegation.

21
22 Another member brought up that Secretary Schewel at a previous
23 meeting suggested the Council should attempt to receive state
24 funding and that this was an appropriate direction to take. Chair
25 Connelly asked the Council in the short-term to visit their local

1 senator or congressperson and a fact sheet will be given to members
2 to take with them. She also stated that she would try to set up some
3 meetings. Another member said he would get this topic on the table
4 at a luncheon with the congressional delegation in September.

5
6 Chair Connelly adjourned the meeting.

1
2 CERTIFICATE OF THE COURT REPORTER
3

4 I, Medford W. Howard, Registered Professional Reporter
5 and Notary Public for the State of Virginia at large, do hereby certify that I
6 was the court reporter who transcribed the proceedings of the **Virginia**
7 **Workforce Council meeting held on Thursday, June 8, 2006 at The**
8 **Sheraton Oceanfront Hotel in Virginia Beach, Virginia.**

9 I further certify this is a true and accurate transcript to the
10 best of my ability to hear and understand the tapes.

11 Given under my hand this ____th day of June, 2006.
12
13
14
15

16 _____
17 Medford W. Howard

18 Registered Professional Reporter

19 Notary Public for the State of Virginia at Large
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23 My Commission Expires: October 31, 2006.